

# Senate Study Bill 1307

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON BOLKCOM)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to city franchise fees by declaring certain  
2 franchise fees legal and providing a basis for calculation and  
3 use of franchise fees by a city, and providing an effective  
4 date.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 2821XC 82  
7 eg/gg/14

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1 1 Section 1. Section 364.2, subsection 4, paragraph f, Code  
1 2 2007, is amended to read as follows:  
1 3 f. A franchise fee assessed by a city may be based upon a  
1 4 percentage of gross revenues generated from sales of the  
1 5 franchisee within the city not to exceed the sum of the state  
1 6 sales tax rate and any local sales and services tax rates  
1 7 imposed within the city, and the fees collected may be  
1 8 credited to the city general fund and used for city general  
1 9 fund purposes. If a city franchise fee is assessed to  
1 10 customers of a franchise, the fee shall not be assessed to the  
1 11 city as a customer.  
1 12 Sec. 2. CERTAIN FRANCHISE FEES DECLARED LEGAL. To the  
1 13 extent that any amount of franchise fees assessed by and paid  
1 14 to a city prior to the effective date of this Act, pursuant to  
1 15 a franchise agreement between a city and any person to erect,  
1 16 maintain, and operate plants and systems for electric light  
1 17 and power, heating, telegraph, cable television, district  
1 18 telegraph and alarm, motor bus, trolley bus, street railway or  
1 19 other public transit, waterworks, or gasworks, exceeds the  
1 20 city's reasonable costs of inspecting, supervising, and  
1 21 otherwise regulating the franchise, such amount is deemed and  
1 22 declared to be authorized and legally assessed by and paid to  
1 23 the city.  
1 24 Sec. 3. EFFECTIVE DATE. This Act, being deemed of  
1 25 immediate importance, takes effect upon enactment.  
1 26 EXPLANATION  
1 27 This bill provides that the amount of a city franchise fee  
1 28 may be based upon a percentage of gross revenues generated  
1 29 from sales of the franchisee within the city not to exceed the  
1 30 sum of the rates of any state and local sales and services  
1 31 taxes imposed within the city, and the fees collected may be  
1 32 credited to the city general fund and used for city general  
1 33 fund purposes.  
1 34 The bill declares that franchise fees assessed by and paid  
1 35 to a city prior to the effective date of the bill, that may  
2 1 exceed the city's reasonable costs of inspecting, supervising,  
2 2 and otherwise regulating the franchise are authorized and  
2 3 legal.  
2 4 The bill takes effect upon enactment.  
2 5 LSB 2821XC 82  
2 6 eg:sc/gg/14